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1969-1979

COMPLETED

Economic Growth of OECD Countries

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United States Department of State
Bureau of Public Affairs
Washington, D.C.

CONTENTS

Tables

I. GNP of OECD Countries, 1969-1979
II. Annual Growth of GNP for OECD Countries, 1969-1979
III. Total Growth of GNP for OECD Countries, 1969-1979, 1969-1974, and 1974-1979
IV. Average Annual Growth of GNP for OECD Countries, 1969-1979, 1969-1974, and 1974-1979
V. GNP of OECD Countries, Total and Per Capita, 1979

Charts

I. "Real" Growth of GNP for European OECD, the European Community (EC), the United States, and Japan, 1969-1979
II. "Real" Growth of GNP for Selected Countries, 1959-1979

Following is a report prepared by Lucie Kornei, Office of Research for Western Europe, Bureau of Intelligence and Research, February 29, 1980.

This annual report presents data on the gross national product (GNP) and the economic growth of members of the Organization for Economic Cooperation and Development (OECD) over the past decade. Calculations are measured in 1979 *constant* dollars, converted for all years by the average 1979 Par Rate/Market Rate as published by the International Monetary Fund (IMF). The growth rates therefore represent real growth because the effects of inflation are eliminated. The most important findings are:

- The U.S. GNP rose by 2.3% in 1979, compared with 4.4% in 1978 and 5.3% in 1977.
- European OECD countries showed an aggregate growth rate of 3.0% in 1979, unchanged from 1978. No country showed a decline.
- The growth rates of the 19 European OECD countries in 1979 varied from 0.3% in Switzerland to 7.3% in Finland. Finland's growth rate was exceptionally high as its economy, under unusually favorable circumstances, sprang back from a recession; it is not expected to remain in that high range. Twelve countries showed growth rates ranging from 2.5% to 4.0%.
- Japan's average annual growth rate over the 10-year period 1969-79 was 6.1%, the highest of all OECD countries for that period (followed closely by Turkey, with 6.0%). In 1979 Japan's growth rate was 6.0%, contrasted with 5.6% in 1978.

According to the statistics, the United States ranked ninth in per capita GNP in 1979, after Switzerland, Denmark, the Federal Republic of Germany, Sweden, Belgium, Luxembourg, Norway, and the Netherlands, in that order. It should be noted, however, that in interpreting the absolute levels of GNP and per capita GNP, as shown in Tables I and V, the market exchange rates used in converting national currencies to U.S. dollars do not necessarily reflect the relative purchasing power of the various currencies. In 1979, market exchange rates were strongly influenced by balance-of-payments disequilibria, which may be presumed to be temporary, and by market expectations of future changes in relative purchasing power. In terms of the actual 1979 purchasing power, the U.S. dollar was undervalued in comparison with the "strong" European currencies and the Japanese yen; the same was true of sterling and the Italian lira, despite a partial recovery of the British pound. The Swiss franc was overvalued in comparison with all currencies.

As a consequence, it should not be concluded, for instance, that Switzerland's individual standard of living in 1979 was 44% higher than that of the United States, or that the United Kingdom's was 34% lower, as the statistics show.

The three countries with the highest growth rates over the decade 1969-79 were:

Japan	80.4%
Turkey	79.0%
Greece	67.3%

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During the same period, the countries with the lowest growth rates were:

Sweden	22.3%
New Zealand	20.6%
Switzerland	13.0%

This rank ordering of countries varies if the 10-year performance is divided into two 5-year periods. The countries with the highest growth rates over the first 5 years, 1969-74, were:

Iceland	43.0%
Portugal	41.1%
Japan	40.9%

The countries with the lowest growth rates for that 5-year span were:

Sweden	15.0%
United Kingdom	14.6%
United States	12.9%

The countries with the highest growth rates over the second 5-year period, 1974–79, were:

Turkey	29.5%
Greece	28.3%
Japan	28.1%

During the same time, the countries with the lowest rates were:

Luxembourg	1.0%
New Zealand	−2.6%
Switzerland	−5.4%

NOTES

- This report is based on National Accounts data available in January 1980. All data are preliminary.
- Data are shown in constant 1979 dollars, converted for all years by the average 1979 Par Rate/Market Rate, as published by the International Monetary Fund.
- Data are not adjusted for differences in the purchasing power of the dollar, which is lower in many countries outside the United States. Please see page 1.
- Gross domestic product (GDP) data were adjusted to GNP by applying the ratio between GNP and GDP, derived from International Monetary Fund statistics.
- Growth data are based on either GNP or GDP and are completely revised. GNP data are expressed in billions of dollars, but all calculations are based on unrounded data.

SOURCES

Gross National Product: U.S. data are based on the Council of Economic Advisers publication, *Economic Report of the President, 1980.* All other data are based on OECD or Embassy reports, or are INR estimates.
Population: U.S. data are from the Council of Economic Advisers publication, *Economic Report of the President, 1980.* Data for all other countries are estimated, based on U.N., OECD, and national statistics. ■

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TABLE 1. GNP OF OECD COUNTRIES, 1969-1979
(In billions of 1979 dollars, at constant 1979 prices)

Country or Area	Currency Units per US dollar [a]	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979
Belgium	29.3186	77.6	82.5	85.9	90.9	96.8	101.3	99.3	104.9	106.3	108.9	112.2
Luxembourg (GDP)	29.3186	3.01	3.06	3.19	3.38	3.73	3.91	3.57	3.67	3.73	3.85	3.95
Denmark	5.2610	49.7	51.0	52.2	55.1	57.9	57.4	57.2	61.2	62.3	62.9	64.5
France	4.25445	386.3	408.3	430.3	455.7	480.3	495.7	496.7	521.0	535.6	553.3	569.9
Federal Republic of Germany	1.83288	553.5	586.7	605.5	627.9	658.7	662.0	648.3	684.7	703.8	728.5	759.8
Ireland	0.4901	10.2	10.5	10.9	11.6	12.1	12.3	12.5	12.9	13.6	14.4	14.9
Italy	830.860	234.9	246.6	250.6	258.3	276.2	287.8	278.0	293.9	298.9	306.6	318.9
Netherlands	2.00608	106.6	113.7	118.6	122.7	129.7	134.2	132.9	139.9	143.8	147.3	152.1
UK	0.472181	318.7	326.1	335.2	343.2	370.7	365.2	361.6	375.0	379.9	392.4	394.3
Total EC of Nine	-	1,740.5	1,828.4	1,892.4	1,968.8	2,086.1	2,119.8	2,090.1	2,197.2	2,247.9	2,318.2	2,390.6
Greece	37.0970	22.9	24.7	26.5	28.8	30.9	29.8	31.7	33.6	34.8	37.0	38.3
Iceland	352.600	1.42	1.53	1.72	1.83	1.95	2.03	2.02	2.02	2.19	2.28	2.34
Norway	5.06407	29.4	30.0	31.4	33.0	34.4	36.2	37.7	39.9	41.5	43.0	44.2
Portugal	48.9235	12.3	13.4	14.3	15.5	17.2	17.4	16.7	17.7	18.7	19.3	19.9
Turkey	31.0775	39.4	41.3	45.1	48.1	50.2	54.5	59.3	64.4	67.2	69.3	70.5
Total European NATO [b]	-	1,835.7	1,928.8	2,000.5	2,084.4	2,208.7	2,247.4	2,225.0	2,341.9	2,398.7	2,474.7	2,550.9
Austria	13.3675	45.0	48.5	51.0	54.3	57.5	59.8	58.6	61.7	64.0	64.9	68.4
Finland	3.89533	28.0	30.4	31.1	33.3	35.4	36.9	37.3	37.4	37.5	38.1	40.8
Spain	67.1250	129.6	137.4	144.0	156.2	169.3	178.3	179.6	183.3	187.7	193.6	196.5
Sweden	4.28708	83.7	88.2	88.0	89.4	92.4	96.3	97.1	98.4	95.8	98.4	102.4
Switzerland	1.6629	86.7	92.2	96.0	99.1	102.1	103.6	96.5	95.2	97.5	97.7	98.0
Total European OECD	-	2,218.9	2,336.0	2,421.5	2,528.3	2,677.5	2,734.6	2,706.6	2,830.8	2,894.8	2,981.8	3,071.9
US	-	1,783.8	1,778.5	1,831.9	1,936.3	2,042.8	2,014.6	1,988.7	2,106.1	2,217.7	2,315.3	2,368.5
Canada	1.17136	145.5	149.2	159.7	169.0	181.6	188.0	190.1	200.9	206.3	213.3	219.3
Total NATO [c]	-	3,765.0	3,856.5	3,992.1	4,189.7	4,433.1	4,450.0	4,403.8	4,648.9	4,822.7	5,003.3	5,138.7
Japan	219.172	571.1	633.3	679.5	740.0	812.5	804.5	823.8	873.2	920.4	971.9	1,030.2
Australia	0.89468	82.6	87.8	92.7	95.2	100.6	103.4	105.8	109.8	111.0	113.7	119.1
New Zealand	0.9780	16.2	16.8	17.2	17.9	19.2	20.0	20.3	20.4	19.8	19.4	19.5
Total OECD [d]	-	4,818.1	5,001.6	5,202.5	5,486.7	5,834.2	5,865.1	5,835.3	6,141.2	6,370.0	6,615.4	6,828.5

a. Converted by the average 1979 Par Rate/Market Rate, as published by the International Monetary Fund.
b. Total of countries listed above, except Ireland.
c. Total European NATO plus the US and Canada.
d. Total European OECD plus the US, Canada, Japan, Australia, and New Zealand.

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TABLE II. ANNUAL GROWTH OF GNP FOR OECD COUNTRIES, 1969-1979
(Percentage changes over previous year, based on Table I)

Country or Area	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979
Belgium	6.3	4.1	5.8	6.5	4.7	-2.1	5.7	1.3	2.5	3.0
Luxembourg	1.6	4.1	5.9	10.2	4.7	-9.4	2.9	1.7	3.2	2.5
Denmark	2.6	2.4	5.4	5.2	-0.9	-0.4	7.0	1.9	1.0	2.5
France	5.7	5.4	5.9	5.4	3.2	0.2	4.9	2.8	3.3	3.0
Federal Republic of Germany	6.0	3.2	3.7	4.9	0.5	-2.1	5.6	2.8	3.5	4.3
Ireland	3.2	4.1	5.7	4.6	2.1	1.2	2.9	5.5	6.1	3.3
Italy	5.0	1.6	3.1	6.9	4.2	-3.5	5.7	1.7	2.6	4.0
Netherlands	6.7	4.3	3.4	5.7	3.5	-1.0	5.3	2.8	2.4	3.3
UK	2.3	2.8	2.4	8.0	-1.5	-1.0	3.7	1.3	3.3	0.5
Total EC of Nine	5.1	3.5	4.0	6.0	1.6	-1.4	5.1	2.3	3.1	3.1
Greece	8.0	7.1	8.9	7.3	-3.6	6.1	6.2	3.5	6.3	3.5
Iceland	7.8	12.7	6.5	6.3	4.0	-0.6	3.4	4.7	4.2	2.5
Norway	2.0	4.6	5.2	4.1	5.2	4.2	5.8	4.1	3.5	2.8
Portugal	9.1	6.6	8.0	11.2	1.1	-4.3	6.2	5.7	3.2	3.0
Turkey	4.9	9.1	6.6	4.4	8.5	8.9	8.5	4.4	3.2	1.7
Total European NATO [a]	5.1	3.7	4.2	6.0	1.8	-1.0	5.3	2.4	3.2	3.1
Austria	7.8	5.3	6.4	5.8	4.1	-2.0	5.2	3.7	1.5	5.3
Finland	8.3	2.4	7.0	6.5	4.3	0.9	0.3	0.4	1.4	7.3
Spain	6.0	4.8	8.5	8.4	5.3	0.7	2.1	2.4	3.1	1.5
Sweden	5.3	-0.2	1.6	3.4	4.2	0.8	1.3	-2.7	2.8	4.0
Switzerland	6.4	4.1	3.2	3.0	1.5	-7.3	-1.4	2.4	0.2	0.3
Total European OECD	5.3	3.7	4.4	5.9	2.1	-1.0	4.6	2.3	3.0	3.0
US	-0.3	3.0	5.7	5.5	-1.4	-1.3	5.9	5.3	4.4	2.3
Canada	2.6	7.0	5.8	7.5	3.5	1.1	5.7	2.7	3.4	2.8
Total NATO [b]	2.4	3.5	5.0	5.8	0.4	-1.0	5.6	3.7	3.7	2.7
Japan	10.9	7.3	8.9	9.8	-1.0	2.4	6.0	5.4	5.6	6.0
Australia	6.3	5.5	2.7	5.7	2.8	2.3	3.8	1.1	2.4	4.8
New Zealand	3.7	2.5	4.4	7.2	4.0	1.7	0.1	-3.0	-1.8	0.3
Total OECD [c]	3.8	4.0	5.5	6.3	0.5	-0.5	5.2	3.7	3.9	3.2

a. Total of countries listed above, except Ireland.
b. Total European NATO plus the US and Canada.
c. Total European OECD plus the US, Canada, Japan, Australia, and New Zealand.

TABLE III. TOTAL GROWTH OF GNP FOR OECD COUNTRIES, 1969-1979, 1969-1974, and 1974-1979

Country or Area	Percentages		
	1969-1979	1969-1974	1974-1979
Belgium	44.5	30.5	10.7
Luxembourg	31.2	29.9	1.0
Denmark	29.7	15.4	12.4
France	47.5	28.3	15.0
Federal Republic of Germany	37.3	19.6	14.8
Ireland	46.0	21.2	20.4
Italy	35.8	22.5	10.8
Netherlands	42.7	25.9	13.4
UK	23.7	14.6	8.0
Total EC of Nine	37.4	21.8	12.8
Greece	67.3	30.4	28.3
Iceland	64.8	43.0	15.3
Norway	50.1	22.9	22.1
Portugal	61.4	41.1	14.4
Turkey	79.0	38.2	29.5
Total European NATO [a]	39.0	22.4	13.5
Austria	52.1	33.1	14.3
Finland	45.8	31.8	10.6
Spain	51.6	37.6	10.2
Sweden	22.3	15.0	6.3
Switzerland	13.0	19.5	-5.4
Total European OECD	38.4	23.2	12.3
US	32.8	12.9	17.6
Canada	50.8	29.2	16.7
Total NATO [b]	36.5	18.2	15.5
Japan	80.4	40.9	28.1
Australia	44.2	25.2	15.2
New Zealand	20.6	23.8	-2.6
Total OECD [c]	41.7	21.7	16.4

a. Total of countries listed above, except Ireland.
b. Total European NATO plus the US and Canada.
c. Total European OECD plus the US, Canada, Australia, and New Zealand.

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TABLE IV. AVERAGE* ANNUAL GROWTH OF GNP FOR OECD COUNTRIES
1969-1979, 1969-1974, and 1974-1979

(Percentages, arranged in order of magnitude, based on Table III)

1969-1979		1969-1974		1974-1979	
Japan	6.1	Iceland	7.4	Turkey	5.3
Turkey	6.0	Portugal	7.1	Greece	5.1
Greece	5.3	Japan	7.1	Japan	5.1
Iceland	5.1	Turkey	6.7	Norway	4.1
Portugal	4.9	Spain	6.6	Ireland	3.8
Austria	4.3	Austria	5.9	US	3.3
Spain	4.2	Finland	5.7	Canada	3.1
Canada	4.2	Belgium	5.5	Iceland	2.9
Norway	4.1	Greece	5.5	Australia	2.9
France	4.0	Luxembourg	5.4	France	2.8
Ireland	3.9	Canada	5.3	Fed. Rep. of Germany	2.8
Finland	3.8	France	5.1	Portugal	2.7
Belgium	3.7	Netherlands	4.7	Austria	2.7
Australia	3.7	Australia	4.6	Netherlands	2.5
Netherlands	3.6	New Zealand	4.4	Denmark	2.4
Fed. Rep. of Germany	3.2	Norway	4.2	Italy	2.1
Italy	3.1	Italy	4.1	Belgium	2.1
US	2.9	Ireland	3.9	Finland	2.0
Luxembourg	2.7	Fed. Rep. of Germany	3.6	Spain	2.0
Denmark	2.6	Switzerland	3.6	UK	1.6
UK	2.1	Denmark	2.9	Sweden	1.2
Sweden	2.0	Sweden	2.8	Luxembourg	0.2
New Zealand	1.9	UK	2.8	New Zealand	-0.5
Switzerland	1.2	US	2.5	Switzerland	-1.1
		GROUP OF COUNTRIES			
Total OECD	3.5	European OECD	4.3	Total OECD	3.1
European NATO	3.3	European NATO	4.1	Total NATO	2.9
European OECD	3.3	EC of Nine	4.0	European NATO	2.6
EC of Nine	3.2	Total OECD	4.0	EC of Nine	2.4
Total NATO	3.2	Total NATO	3.4	European OECD	2.3

* Compound annual growth rates.

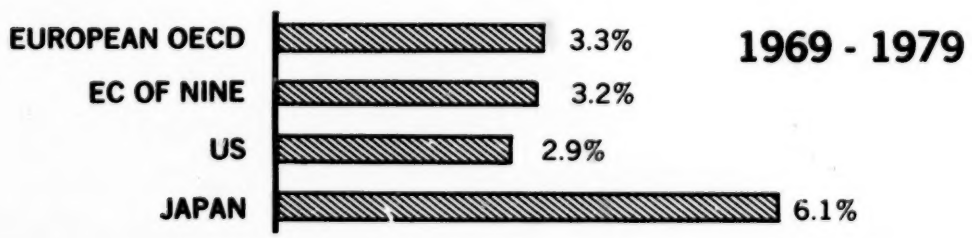

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TABLE V. GNP OF OECD COUNTRIES, TOTAL AND PER CAPITA, 1979

Country or Area	Population [a] (millions)	GNP (billion 1979 dollars)	Per Capita GNP (1979 dollars)
Belgium	9.85	112.2	11,392
Luxembourg (GDP)	0.36	3.95	10,972
Denmark	5.12	64.5	12,598
France	53.50	569.9	10,652
Federal Republic of Germany	61.34	759.8	12,386
Ireland	3.27	14.9	4,544
Italy	56.89	318.9	5,606
Netherlands	14.03	152.1	10,843
UK	55.90	394.3	7,054
Total EC of Nine	260.26	2,390.6	9,185
Greece	9.44	38.3	4,054
Iceland	0.23	2.34	10,174
Norway	4.07	44.2	10,852
Portugal	9.86	19.9	2,015
Turkey	44.29	70.5	1,592
Total European NATO [b]	324.88	2,550.9	7,852
Austria	7.51	68.4	9,104
Finland	4.77	40.8	8,562
Spain	37.06	196.5	5,301
Sweden	8.30	102.4	12,335
Switzerland	6.34	98.0	15,451
Total European OECD	392.13	3,071.9	7,834
US	220.58	2,368.5	10,737
Canada	23.69	219.3	9,256
Total NATO [c]	569.15	5,138.7	9,029
Japan	115.88	1,030.2	8,891
Australia	14.42	119.1	8,262
New Zealand	3.10	19.5	6,281
Total OECD [d]	769.80	6,828.5	8,870

a. Except for the US, all 1979 population data are estimated, based on UN, OECD, and national statistics.
b. Total of countries listed above, except Ireland.
c. Total European NATO plus the US and Canada.
d. Total European OECD plus the US, Canada, Japan, Australia, and New Zealand.

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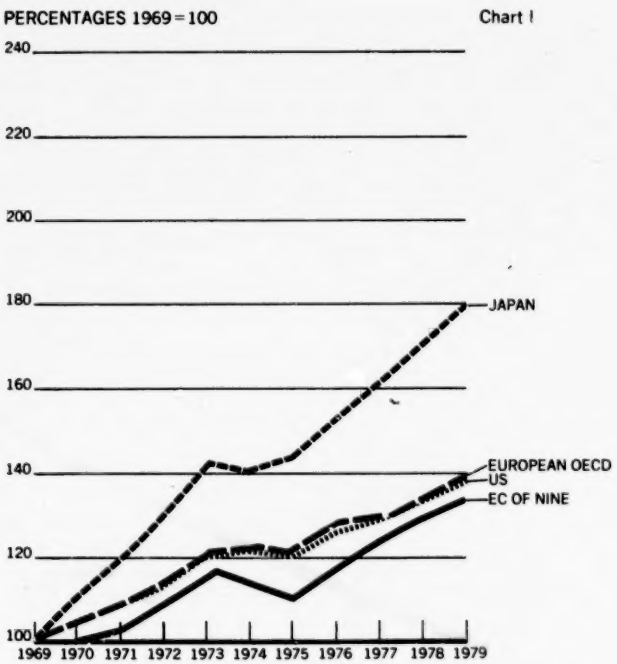
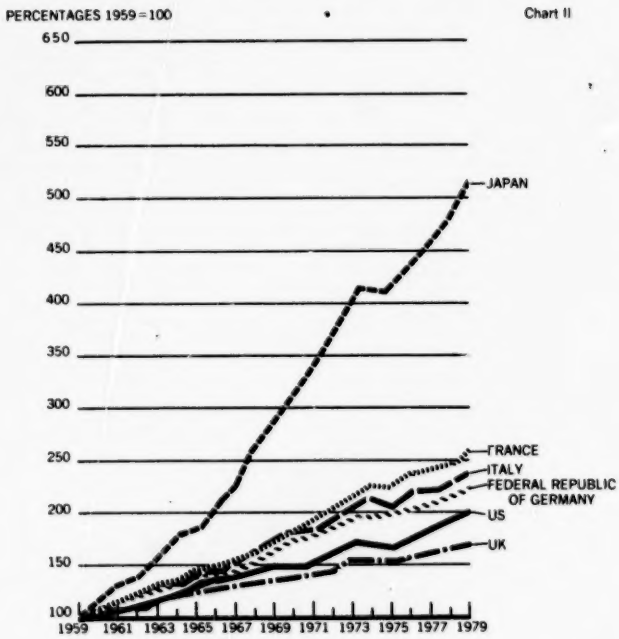
"REAL" GROWTH OF GNP FOR EUROPEAN OECD, THE EC OF NINE, THE US AND JAPAN
1969 - 1979



"REAL" GROWTH OF GNP FOR SELECTED COUNTRIES
1959 - 1979



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